

7.1 OVERSIGHT REPORT ON ANNUAL REPORT: 2009/2010 FINANCIAL YEAR

PURPOSE

To submit the Oversight Report on the Annual Report of 2009/2010 in terms of Section 129 of the Municipal Finance Management Act, 2003, (MFMA).

BACKGROUND

1. Legal Requirements

1.1 Section 121(1)(2) and (3) of the MFMA determines as follows:

121(1) Every Municipality must for each financial year prepare an annual report. The Council must within nine months after the end of a financial year deal with the annual report of a municipality in accordance with section 129.

(2) The purpose of an annual report is:-

- (a) To provide a record of the activities of the municipality during the financial year to which the report relates;
- (b) To provide a report on performance against the budget of the municipality for the financial year; and
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality.

(3) The annual report of a municipality must include-

- (a) The annual financial statements of the municipality, and in addition, if section 122(2) applies, consolidated annual financial statements, as submitted to the Auditor-General for audit in terms of section 126(1);
- (b) The Auditor-General audit report in terms of section 126(3) on those financial statements;
- (c) The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal Systems Act;
- (d) The Auditor-General's audit report in terms of section 45(b) of the Municipal Systems Act;
- (e) An assessment by the municipality's Accounting Officer of any arrears on municipal taxes and service charges;
- (f) An assessment by the municipality's Accounting Officer of the municipality's performance against the measurable performance objectives referred to in section 17(3)(b) for revenue from each source and for each vote in the municipality's approved budget for the relevant financial year;

- (g) Particulars of any corrective action taken or to be taken in response to issues raised in the audit reports referred to in paragraphs (b) and (d);
 - (h) Any explanations that may be necessary to clarify issues in connection with the financial statements;
 - (i) Any information as determined by the municipality;
 - (j) Any recommendation as determined by the municipality; and
 - (k) Any other information as may be prescribed.
2. In terms of section 127(5) of the MFMA, the Accounting Officer must immediately after the annual report is tabled, make public the annual report, invite the local Community to submit representations in connection with the annual report and submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.
 3. According to section 129(1) of the MFMA, requires the Council to consider the Annual Report of the municipality and to adopt an Oversight Report containing the Council's comments on the Annual Report.

1.2 Submission and tabling of the Annual Report

The Annual Report of the Municipality for the 2009/2010 financial year was tabled in the Council at its meeting held on 8 March 2011 in terms of section 127(2) of the Local Government: Municipal Finance Management Act, 2003.

Council **resolved** of the Council meeting held on 8 March 2011:

UNANIMOUSLY RESOLVED : R/2011

- (1) That cognisance be taken of the comments by Mr I Fourie from the office of the Auditor- General.
- (2) That the Municipal Manager in terms of section 127(5) of the MFMA:
 - (a) Make public the Annual Report for the 2009/2010 financial year;
 - (b) Invite the local community to submit representations in connection with the Annual Report;
 - (c) Submit the Annual Report to the Auditor-General, the Provincial Treasury and the Provincial Department responsible for Local Government; and
 - (d) That Council in terms of section 129(1) of the MFMA determine a date to consider the Annual Report and adopt the oversight report.
 - (e) That the following members are to serve on the Oversight Committee/Annual Report; Cllrs. D Oosthuizen, A Franken, I Stevens and F Khohlakaka and a member of the Audit committee
 - (f) That the Oversight committee appointed by Council proceed with process to assess the report.

2. OVERSIGHT REPORT

2.1 Introduction

The adoption of the Oversight Report is the concluding step in the annual reporting moment of a municipality. The Oversight Report is a requirement in terms of Section 129 of the MFMA, which requires the Council to adopt an Oversight Report, no later than 2 months after the tabling of the annual report. The Oversight Report must include a statement whether the council:

- Has approved the annual report, with or without reservation;
- Has rejected the annual report; or
- Has referred the annual report back for revision of those components that can be revised.

The Oversight Report is a separate product from the Annual Report. The Annual Report is submitted to the Council by the Accounting Officer and the Executive Officer and the Executive Mayor and is part of the process for discharging accountability by the executive and administration for their performance in achieving objectives and goals set by the municipality in the relevant financial year. The Oversight Report follows consideration and consultation on the Annual Report and is considered to be a report of the municipal council.

After the tabling of the 2009/010 Annual Report on 8 March 2011, in line with Section 129 (1) of the MFMA, the Overberg District Municipality allowed for two weeks of public comments regarding the 2006/07 Annual Report. The commenting period was between 9 March 2011 until 25 March 2011. Copies of the Annual Report were:

- Circulated to each councillor;
- Distributed to all regional offices of the ODM
- Published on the municipality's website; and
- Advertised in the local newspapers.

The Annual Report was also made available to the following Offices and Committees:

- The office of the Auditor-General;
- The Provincial Department of Local Government and Housing;
- The Provincial Treasury;
- The Audit Committee of the Overberg District Municipality.

2.2 Submission of Annual Report to Committees

The Annual report was submitted to the Oversight Committee:

THE OVERSIGHT COMMITTEE

- (a) Council oversees the performance of the administration through Council and Committee meetings.

- (b) In terms of a Council Resolution, an Oversight Committee was established in terms of Section 79 of the Structures Act, 1998, to review the Annual report of the Council and to prepare an oversight Report on the Annual Report.
- (c) The Oversight Committee non-executive Councillors as nominated by Council and a Chairperson who was chosen from amongst members.
- (d) The members of the Oversight Committee are :
 - (i) Cllr D Oosthuizen (Chairperson)
 - (ii) Cllr I Stevens
 - (iii) Cllr AR Franken
 - (iv) Cllr F Khohlakala

THE OVERSIGHT REPORT

- (a) Attached the Oversight Committee Meeting minutes.

2009/2010 ANNUAL REPORT CONSULTATION PROCESS

- (a) Members of the community were advised, through the media and the municipal website, of the availability of the Annual Report and were invited to submit representations on the report.
- (b) The Annual Report was available at all Municipal identified offices. The Annual Report was also submitted to the Auditor General, Provincial Treasury (Western Cape) and the Departement of Local Government and Housing (Western Cape)

RECOMMENDATED BY THE OVERSIGHT COMMITTEE

1. That the Annual report of the Municipality and presentations thereon in terms of section 129(1) of the Local Government Municipal Finance Management Act, 2003, adopts the report after accepting the corrections and amendments as recommended by the Oversight Committee at its meeting held on 15 April 2011.
2. That it should be recorded that copies of the Annual Report must be provided to all libraries and Thusong Centre's in the various towns of the Overberg.

Council **resolved** of the Council meeting held on 20 April 2011:

UNANIMOUSLY RESOLVED :

1. That the Annual report of the Municipality and presentations thereon in terms of section 129(1) of the Local Government Municipal Finance Management Act, 2003, adopts the report after accepting the corrections and amendments as recommended by the Oversight Committee at its meeting held on 15 April 2011.
2. That it should be recorded that copies of the Annual Report must be provided to all libraries and Thusong Centre's in the various towns of the Overberg

**NOTULE VAN DIE OORSIGKOMITEE VERGADERING SOOS GEHOU OP 15 APRIL 2011
OM 10:00 IN DIE RAADSAAL**

OPENING

Aangesien dit die eerste vergadering van die Oorsigkomitee is word oorgaan tot die verkiesing van 'n Voorsitter.

VERKIESING VAN VOORSITTER

Raadslid A Franken stel voor gesekondeer deur Raadslid I Stevens dat Raadslid D Oosthuizen aangestel word as Voorsitter vir die Oorsigkomitee.

Eenparig besluit : Dat Rdl Oosthuizen as Voorsitter van die Oorsigkomitee aangewys word.

VERWELKOMING

Die Voorsitter, Rdl D Oosthuizen heet almal hartlik welkom by die vergadering.

VERSKONINGS : Geen verskoning is ontvang vir Raadslid F Khohlakala.

TEENWOORDIG

Raadslede : D Oosthuizen (Voorsitter)
I Stevens
A Franken
Amptenary : RF Butler (Wnde Munisipale Bestuurder)
A Thompson (Administratiewe Beampte)

SAKE TER OORWEGING :

1. Vrae oor sekere items in die jaarverslag.

- Kan 'n burgemeester wat op 30 Junie 2010 toe die jaar onder oorsig, nie meer burgemeester was nie, nog die voorwoord lewer? Raadslid M Gllion het op 24 Junie 2010 bedank as raadslid en outomaties ook as burgemeester.

Besluit :

1. Die Komitee stel voor dat die huidige Burgemeester, Rdl E Marthinus 'n mening uitspreek oor die Jaarverslag aangesien die voormalige Burgemeester nie die Finansiële state kon nasien, aangesien sy reeds op 24 Junie 2010 bedank het.
 2. Dat die huidige Munisipale Bestuurder, mnr RF Butler ook 'n oorsig verslag gee oor die Jaarverslag.
- Deur watter media was die jaarverslag aan die algemene publiek voorgelê vir kommentaar. Watter datum was dit op die webwerf geplaas. Dit was nie in die

Hermanus, Gansbaai en Hawston biblioteke vir kommentaar aan die publiek voorgelê nie.

BESLUIT :

1. Dat kennis geneem word dat die jaarverslag vir publieke kommentaar gelê het by die verskillende kantore van die ODM.
 2. Dat in die toekoms die jaarverslag in die toekoms by alle biblioteke en Thusong Sentrums in die Overberg versprei word.
 3. Kennis word geneem dat die Jaarverslag op die webwerf van die ODM geplaas word direk na die vergadering.
- Was daar enige kommentaar van die algemene publiek en of enige raadslede?

BESLUIT:

Kennis word geneem dat die geen kommentaar van die publiek en of enige raadslid ontvang was nie.

- Verduidelik asseblief watter 25 werksgeleenthede was geskep deur middel van die munisipaliteit se ekonomiese ontwikkeling en kapitaal projekte. Sien bladsy 47.

BESLUIT :

Dat kennis geneem word dat die werksgeleenthede geskep is deur die EPW projekte by die Oorde.

DAT DIE VOLGENDE REGSTELLINGS OP DIE JAARVERSLAG AANGEBRING WORD

- Bladsy 9. Die burgemeester stel dit dat ODM aan alle wetsvereistes voldoen het. Die stelling is nie korrek nie. Bestudeer net die ouditverslag . Sien byvoorbeeld Par 14,15, 16, 24 en 25 van die ouditverslag waarin uitgewys word dat daar nie aan alle wetsvereistes voldoen was nie..
- Bladsy 9 . Derde laaste sin. 2010/2011 moet wees 2009/2010.
- Bladsy 22. Raadslid M Gillion was nie Overstrand raadslid nie, maar wel proporsioneel.
- Bladsy 23. Raadslid F Kothlakala is Overstrand raadslid. Nie proporsioneel.
- Bladsy 24. Raadslid M Gillion het op 24 Junie 2010 bedank en was dus op 30 Junie 2010 nie meer lid van die Burgemeesterskomitee nie.
- Bladsy 27. Distrik koördinasieforum- Raadslid T Beyleveld is nie raadsheer nie, maar net gewone raadslid. Hy het in Maart 2006 vir eerste keer raadslid geword.

- Bladsy 112. In die tabel Operating Results is daar 'n paar foute. Actual revenue 2008/09 moet wees 91905 en nie 91909 nie. Die verskil is ook foutief, moet wees 5137. Operating expenditure actual moet wees 93110 en nie 93114 nie. Die verskil is ook foutief, moet wees 3849. Die woorde "municipality received R89 909 683" is foutief en moet wees R89 909 638. Die woorde "the percentage is well within the national norm of between 35-40%" is foutief. Die persentasie van 56.5% oorskrei die nasionale norm baie vër.
- Bladsy 189. Die oudit verslag het ook 'n fout. In punt 24 op bladsy 5 van die verslag lees "The council did not approved its final 2009-10 annual report within two months after the report was tabled on or before 31 March 2010." Die 2009-10 moet wees 2008-09. Dit was die 2008-09 jaarverslag wat nie binne twee maande deur die raad goedgekeur was nie. Hierdie jaar se jaarverslag 2009-2010 is ook laat en sal seker weer volgende jaar in die ouditeursverslag genoem word.

Kennis word geneem van Rdl I Stevens dat:

1. Dat die Munisipale Bestuurder in sy mening(oorsigverslag) die onstabiliteit van die Raad moet aanspreek van die eerste kwartaal in 2010.
2. Dat die in LED projekte in volgende jaar meer maksimaal uitgerol word.
3. Dat die DAC en Transport plan nie genoegsame inligting in die huidige jaarverslag het nie, maar dat in die volgende jaarverslag meer duidelik uitgewys word.
4. Dat die Munisipale Bestuurder 'n verslag voorlê oor die ongemagtigde, onreëlmatige of vrugtelose en verkwistende uitgawes aan die Raad.

RECOMMENDATION TO COUNCIL

That the Annual report for the Overberg District Municipality thereon in terms of section 129(1) of the local Government Municipal Finance management Act, 2003 adopts the report after accepting the corrections and additions as recommended by the Oversight Committee.

AFSLUITING

Die voorsitter bedank almal se insette tydens die vergadering.

Die vergadering verdaag om 11:45.

VOORSITTER

DATUM